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Courts for the District of Columbia

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

**Holding a Criminal Term
Grand Jury Sworn in on May 7, 2019**

UNITED STATES OF AMERICA	:	CRIMINAL NO.
	:	
v.	:	Grand Jury Original
	:	
HOSSEIN HATEFI ARDAKANI,	:	VIOLATIONS:
Also known as	:	
"HASAN HASHEM,"	:	18 U.S.C. § 371
Also known as	:	(Conspiracy)
"STEVE PALMER,"	:	
	:	50 U.S.C. § 1705
and	:	(International Emergency Economic
	:	Powers Act)
FNU LNU,	:	
Also known as	:	31 C.F.R. Part 560
"GARY LAM,"	:	(Iranian Transactions and Sanctions
	:	Regulations)
Defendants.	:	
	:	18 U.S.C. §§ 1956(a)(2)(A), (c)(7)(b)(v)(I),
	:	and (h)
	:	(Conspiring to Engage in International
	:	Money Laundering)
	:	
	:	FORFEITURE
	:	18 U.S.C. §§ 982(a)(1) & (b)(1);
	:	21 U.S.C. § 853(p); and
	:	28 U.S.C. § 2461(c)
	:	

INDICTMENT

The Grand Jury charges that:

Case: 1:20-cr-00176
Assigned To : Nichols, Carl J.
Assign. Date : 9/1/2020
Description: INDICTMENT (B)

COUNT ONE

**(Conspiracy to Unlawfully Export Goods to Iran
and to Defraud the United States)**

At all times material to this Indictment:

The Defendants and Other Individuals and Entities

1. Defendant HOSSEIN HATEFI ARDAKANI, also known as “HASAN HASHEM,” also known as “STEVE PALMER” (ARDAKANI), was a citizen of Iran who was associated with IRAN COMPANY 1.
2. IRAN COMPANY 1 was a company based in Tehran, Iran.
3. Defendant FNU LNU, also known as “GARY LAM” (LAM), was a person based in China (including Hong Kong) who worked for CHINA COMPANY 1.
4. CHINA COMPANY 1 was a company based in China and Hong Kong that reexported goods to IRAN COMPANY 1 in Iran on behalf of ARDAKANI.
5. CANADA COMPANY 1 was a Canadian company located in Point Claire, Canada, that reexported goods to HONG KONG COMPANY 1 in China.
6. FRANCE COMPANY 1 was a company based in France.
7. HONG KONG COMPANY 1 was a Chinese company based in Hong Kong that served as a supplier to CHINA COMPANY 1.
8. HONG KONG COMPANY 2 was a company based in Hong Kong.
9. HONG KONG COMPANY 3 was a company based in Hong Kong.
10. SHIPPING COMPANY 1 was an international courier delivery services company based in the Netherlands.
11. U.S. COMPANY 1 was a company based in the United States.

12. U.S. COMPANY 2 was a company based in the United States that distributed products of U.S. COMPANY 1 and U.S. COMPANY 3.

13. U.S. COMPANY 3 was a company based in the United States.

14. Beginning at least in or around September 2014, and continuing through at least in or about September 10, 2015, defendants ARDAKANI and LAM conspired with persons known and unknown to the Grand Jury to procure products from U.S. COMPANY 1, U.S. COMPANY 2, and U.S. COMPANY 3 (collectively, the U.S. COMPANIES) and to export those products from the United States to Iran, through Canada, France, and China/Hong Kong.

**The International Emergency Economic Powers Act and
the Iranian Transactions and Sanctions Regulations**

15. The International Emergency Economic Powers Act (IEEPA), 50 U.S.C. §§ 1701-1706, authorized the President of the United States (the President) to impose economic sanctions on a foreign country in response to an unusual or extraordinary threat to the national security, foreign policy, or economy of the United States when the President declared a national emergency with respect to that threat. Pursuant to the authority under the IEEPA, the President and the executive branch have issued orders and regulations governing and prohibiting certain transactions with Iran by U.S. persons or involving goods.

16. Beginning with Executive Order No. 12170, issued on November 14, 1979, the President found that “the situation in Iran constitutes an unusual and extraordinary threat to the national security, foreign policy and economy of the United States and declare[d] a national emergency to deal with that threat.”

17. On May 6, 1995, the President issued Executive Order No. 12959, adopting and continuing Executive Order No. 12170 (collectively, the Executive Orders), and prohibiting,

among other things, the exportation, reexportation, sale, or supply, directly or indirectly, to Iran of any goods, technology, or services from the United States or by a United States person. The Executive Orders authorized the United States Secretary of the Treasury to promulgate rules and regulations necessary to carry out the Executive Orders. Pursuant to this authority, the Secretary of the Treasury promulgated the Iranian Transactions Regulations (ITR), subsequently reissued and renamed the Iranian Transactions and Sanctions Regulations (ITSR), implementing the sanctions imposed by the Executive Orders.

18. The ITSR generally prohibited any person from exporting or causing to be exported from the United States any goods or technology without having first obtained a valid export license from the United States Department of the Treasury, Office of Foreign Assets Control (OFAC), which was located in the District of Columbia. The ITSR were in effect at all times relevant to this Indictment. The ITSR imposed, among others, the following prohibitions:

Section 560.203 Evasions; attempts; causing violations; conspiracies.

(a) Any transaction on or after the effective date that evades, or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions set forth in this part is prohibited.

(b) Any conspiracy formed to violate any of the prohibitions set forth in this part is prohibited.

Section 560.204 Prohibited exportation, reexportation, sale, or supply of goods, technology, or services to Iran.

Except as otherwise authorized [by a license issued by OFAC], the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any goods, technology, or services to Iran or the Government of Iran is prohibited, including the exportation, reexportation, sale, or supply of any goods, technology, or services

to a person in a third country undertaken with knowledge or reason to know that:

(a) Such goods, technology, or services are intended specifically for supply, transshipment, or reexportation, directly or indirectly, to Iran or the Government of Iran

Section 560.205 Prohibited reexportation of goods, technology, or services to Iran or the Government of Iran by persons other than United States persons; exceptions.

(a) Except as otherwise authorized pursuant to this part . . . the reexportation from a third country, directly or indirectly, by a person other than a United States person, of any goods, technology, or services that have been exported from the United States is prohibited if:

(1) Undertaken with knowledge or reason to know that the reexportation is intended specifically for Iran or the Government of Iran; and

(2) The exportation of such goods, technology, or services from the United States to Iran was subject to export license application requirements under any United States regulations in effect on May 6, 1995, or thereafter is made subject to such requirements imposed independently of this part.

19. Pursuant to IEEPA, 50 U.S.C. §§ 1701-1705, the Department of Commerce, Bureau of Industry and Security (BIS), through the Export Administration Regulations (EAR) (15 C.F.R. Parts 730-774), reviewed and controlled the export of certain items, including goods, software, and technologies, often called dual-use items, from the United States to foreign countries.

20. In particular, the EAR restricted the export of items that could make a significant contribution to the military potential of other nations or that could be detrimental to the foreign policy or national security of the United States. The EAR imposed licensing and other requirements for items subject to the EAR to be lawfully exported from the United States or lawfully reexported from one foreign destination to another.

21. The most sensitive items subject to EAR controls were identified on the Commerce Control List (CCL), published at 15 C.F.R. part 774, Supp. No. 1. Items on the CCL were categorized by Export Control Classification Number (ECCN), each of which had export control requirements depending on destination, end use, and end user. An ECCN identified the export controls associated with a specific item.

A. THE CONSPIRACY

22. Beginning at least in or around September 2014, and continuing through at least in or around September 2015, Defendant HOSSEIN HATEFI ARDAKANI, also known as “HASAN HASHEM,” also known as “STEVE PALMER,” and Defendant FNU LNU, also known as “GARY LAM,” did willfully combine, conspire, and agree with others known and unknown to the Grand Jury, to: (a) commit an offense against the United States, that is, to export and cause the exportation of goods from the United States to Iran in violation of the prohibitions imposed upon that country by the United States government, without having first obtained the required licenses from OFAC, located in the District of Columbia, in violation of Title 50, United States Code, Section 1705 (IEEPA), and Title 31, Code of Federal Regulations, Parts 560.203, 560.204 and 560.205 (ITSR); and (b) defraud the United States government by interfering with and obstructing a lawful government function, that is, the enforcement of laws and regulations prohibiting the export or supply of goods from the United States to Iran without having first obtained the required licenses from OFAC, by deceit, craft, trickery, and dishonest means, in violation of Title 18, United States Code, Section 371.

23. ARDAKANI had an ongoing business relationship with LAM, who was associated with CHINA COMPANY 1 in China. Beginning at least in or around September 2014 and

continuing through in or around September 2015, ARDAKANI would place orders with LAM for various products, including goods owned by U.S. COMPANY 1 and U.S COMPANY 3 and distributed by U.S. COMPANY 2. LAM and others would cause CANADA COMPANY 1 and FRANCE COMPANY 1 to place orders for these products, cause them to be shipped to Canada and France, and then have them shipped to Hong Kong and China, attempting to hide the true location and nature of the end users in Iran.

24. The conduct alleged in this Count occurred within the District of Columbia and elsewhere and is therefore within the venue of the United States District Court for the District of Columbia pursuant to Title 18, United States Code, Sections 3237(a) and 3238.

B. OBJECTS OF THE CONSPIRACY

25. The objects of the conspiracy were:

A. to acquire goods from the United States in order to supply these goods to entities and end users in Iran;

B. to conceal from United States companies and the United States government that the goods were destined for Iranian end users;

C. to make a financial profit for the defendants and their coconspirators; and

D. to evade the regulations, prohibitions, and licensing requirements of IEEPA and the ITSR.

C. MANNER AND MEANS OF THE CONSPIRACY

26. The manner and means by which the defendants and their coconspirators sought to accomplish the objects of the conspiracy included, among others, the following manner and means:

A. The defendants and their coconspirators planned and acted outside the United States to acquire goods.

B. The defendants and their coconspirators used e-mail to communicate with one another and with other individuals, including individuals located in the United States, China, and Iran.

C. The defendants and their coconspirators purchased goods from companies in the United States for ultimate shipment to Iran.

D. The defendants and their coconspirators used informal money exchanges and other third parties to change Iranian currency to United States currency, in order to arrange for payment of the goods.

E. The defendants and their coconspirators intentionally concealed from companies located in the United States, the U.S. COMPANIES, the true nature of the ultimate end use and the true identities of the ultimate end users of the goods, by providing false and misleading information about the ultimate end use and end users.

F. The defendants and their coconspirators caused the goods to be exported from the United States to individuals and entities located in Iran through Canada, China, France, and Hong Kong, without obtaining a license from OFAC, located in the District of Columbia.

D. OVERT ACTS

27. In furtherance of the above-described conspiracy, and in order to carry out the object thereof, the defendants and others known and unknown to the Grand Jury committed or caused to be committed, in the District of Columbia and elsewhere, at least one of the following overt acts, among others:

October 28, 2014 Export of ten High Electron Mobility Transistors to Iran

28. On or about September 8, 2014, ARDAKANI emailed LAM of CHINA COMPANY 1, asking about a purchase of ten High Electron Mobility Transistors (HEMTs), part no. CGHV96100F2, for which he had “negotiated with the costumer.”¹ According to the manufacturer, this item has applications in marine radar, weather monitoring, air traffic control, maritime vessel traffic control, and port security. The item was classified on the Commerce Control List under ECCN 3A001.b.3.b and controlled for Anti-Terrorism, National Security, and Regional Stability reasons.

29. On or about September 9, 2014, LAM emailed ARDAKANI, confirming a quote of ten pieces at \$1,500 per piece of part no. CGHV96100F2, for a total of \$15,000.

30. On or about September 9, 2014, ARDAKANI emailed LAM, confirming the price and asking, “Are you 100% sure you are able to buy these items??? I have to give a bank check to my costumer for it because they have a very sensitive project.”

31. On or about September 9, 2014, LAM replied to ARDAKANI, “yes as our supplier has bought a lot since this year and all were successfully delivered.”

32. On or about September 26, 2014, LAM and other conspirators caused CANADA

¹ All errors in quoted text are in originals.

COMPANY 1 to place an order with U.S. COMPANY 2 for ten pieces of part no. CGHV96100F2 a U.S. COMPANY 1 product, to be shipped to CANADA COMPANY 1 in Canada. The order form and invoice stated, “These commodities, technology or software will be exported from the United States in accordance with the Export Administration regulation[s]. Diversion contrary to U.S. law prohibited.”

33. On or about September 30, 2014, LAM and other conspirators caused CANADA COMPANY 1 to reexport ten pieces of part no. CGHV96100F2, from Canada to HONG KONG COMPANY 1 in Hong Kong.

34. On or about October 16, 2014, ARDAKANI emailed LAM and asked if the [U.S. COMPANY 1] items were ready.

35. On or about October 16, 2014, LAM emailed ARDAKANI and informed ARDAKANI that the [U.S. COMPANY 1] products had “arrived yesterday at our supplier’s HK [Hong Kong] warehouse.”

36. On or about October 20, 2014, ARDAKANI emailed LAM, confirming that ARDAKANI had paid LAM \$15,000 the day before.

37. On or about October 28, 2014, LAM reexported or caused to be reexported, via SHIPPING COMPANY 1, ten pieces of part no. CGHV96100F2, from Hong Kong to IRAN COMPANY 1 in Iran. In connection with this shipment, LAM signed a SHIPPING COMPANY 1 “IRAN SANCTIONS NLR [No License is Required] CUSTOMER STATEMENT,” which falsely stated that the items LAM was shipping did not require a license to go to Iran and did not breach the EAR administered by the United States Department of Commerce or the U.S. sanctions administered by the United States Department of Treasury. The document also stated, “[P]lease be

aware that [SHIPPING COMPANY 1] does not accept items of U.S. origin for carriage to Iran from any origin in the world.” In a commercial invoice provided to SHIPPING COMPANY 1, LAM falsely declared \$136.80 worth of “integrated circuits” to be shipped to Iran.

38. On or about October 28, 2014, LAM emailed ARDAKANI stating that LAM had shipped ten pieces of part no. CGHV96100F2 from Hong Kong to Iran via SHIPPING COMPANY 1 and providing a tracking number.

39. On or about October 28, 2014, ARDAKANI emailed PERSON A. Attached to the email was a JPEG image of details of a shipment tracker, listing a shipment from Hong Kong on October 28, 2014, with the destination of Tehran, Iran.

40. On or about November 1, 2014, ARDAKANI, using his alias, Steve Palmer, emailed U.S. COMPANY 1 customer service asking a “technical question” about a “used” transistor, part no. CGHV96100F2.

41. On or about November 2, 2014, ARDAKANI emailed LAM, alerting LAM that ARDAKANI’s “customer told me there is a high risk of using these items” and asking, “Are you completely sure parts were ordered from [U.S COMPANY 1] directly?”

42. On or about November 4, 2014, ARDAKANI emailed PERSON A and forwarded an email chain between ARDAKANI and a representative of U.S. COMPANY 1. The email chain included the email from ARDAKANI described in overt act no. 42 above, as well as the response by the representative of U.S. COMPANY 1 stating that “there is no second hand market for such devices, indeed the export of such devices from the USA comes under certain restrictions.”

43. On or about November 6, 2014, LAM emailed ARDAKANI, stating, “Attached you can find the invoice of this 10pcs from [U.S. COMPANY 2] to prove it came from [U.S.

COMPANY 2] oversea.”

44. On or about November 6, 2014, ARDAKANI emailed PERSON A and stated, “We have to wait a couple of days to get the reply from the technical staff of [U.S. COMPANY 2] or of [U.S. COMPANY 1]. Attached you can find the invoice of this 10pcs to prove that it came from [U.S. COMPANY 2] oversea.” ARDAKANI also asked PERSON A to provide feedback on the 10 pieces that had been shipped. ARDAKANI provided a copy of a redacted packing list for the shipment of ten pieces of part no. CGHV96100F2 described in overt act no. 39 above. The packing list included the following statements:

CUSTOMER INDICATED THAT PRODUCT WILL NOT BE EXPORTED OUTSIDE OF [REDACTED IN ORIGINAL].

*NOTE: ONE OR MORE ITEMS ON THIS ORDER ARE CONTROLLED FOR EXPORT.

These commodities, technology or software will be exported from the United States in accordance with the Export Administration regulation[s]. Diversion contrary to U.S. law prohibited.

45. On or about November 10, 2014, LAM emailed ARDAKANI, asking, “Did you get the test reports from customer” and then stating,

This problem became difficult to deal with; At side of [U.S. COMPANY 2], they told MFR [manufacturer] need authorised test report from 3rd party,however this part is not allowed to send oversea.

So currently we can only send the main part of test report to check if the MFR would deal with the problem.

46. On or about November 10, 2014, ARDAKANI emailed LAM and stated that “it is not possible to send an authorized test report from a costumer in IRAN.”

February 10, 2015 Export of Ten High Electron Mobility Transistors to Iran

47. On or about December 1, 2014, ARDAKANI emailed LAM, asking for LAM's "best price" for ten pieces of part no. CGHV96100F2, the same HEMTs discussed above in paragraphs 28-46.

48. On or about December 1, 2014, LAM emailed ARDAKANI, stating, "Pls confirm customer accept last 10pcs 96100 (from [U.S. COMPANY 2]) so we will have no problem with future orders. If they do, we will consider of allowing USD1,400."

49. On or about December 1, 2014, ARDAKANI emailed LAM, stating, "The last 10 pcs are accepted by the costumer. Now this new 10 pcs is for a new costumer. If you are completely sure that the items are from [U.S. COMPANY 2], It is ok for me."

50. On or about December 3, 2014, LAM emailed ARDAKANI, stating, "Rgs [In regards] to this kind of controlled items, our normal profit is 15% at least; however, we have done with nearly 10% now."

51. On or about December 3, 2014, ARDAKANI emailed LAM, stating, "We have already found that you are a strong supplier for us...we make our best to pay you as soon as possible. Hope for more working with you."

52. On or about December 3, 2014, ARDAKANI emailed LAM confirming the order of ten pieces of part no. CGHV96100F2.

53. On or about December 5, 2014, ARDAKANI emailed LAM regarding delays in payment. In the email, ARDAKANI stated, "As you know the Iranian Banks are in sanctions and we cannot pay you using bank. So we have to use these agents. And they sometimes use 2 or 3 other persons in Dubai or Turkey to pay you."

54. On or about December 7, 2014, ARDAKANI emailed PERSON B, attaching a quote for 39 items, including ten pieces of part no. CGHV96100F2 at \$1,750 per unit for \$17,500 in total, as well as four pieces of another part U.S. COMPANY 1.

55. On or about January 9, 2015, LAM caused CANADA COMPANY 1 to place an order with U.S. COMPANY 2 for ten pieces of part no. CGHV96100F2 for a total price of \$7,175.40. The order form and invoice included the following provision: "These commodities, technology or software will be exported from the United States in accordance with the Export Administration regulations. Diversion contrary to U.S. law prohibited."

56. On or about January 12, 2015, LAM caused CANADA COMPANY 1 to reexport ten pieces of part no. CGHV96100F2, to HONG KONG COMPANY 1 in Hong Kong.

57. On or about January 27, 2015, ARDAKANI emailed LAM, noting that ARDAKANI would pay LAM 30,000 RMB (the official currency of the People's Republic of China) that same day.

58. On or about January 27, 2015, LAM emailed ARDAKANI, with a subject line of "COC CGHV96100F2.jpg," and stating "Mail Attached pls find COC [certificate of origin] of arrived 10 pcs 96100." Attached to the email was the certificate of origin for part no. CGHV96100F2 listing the exporter as U.S. COMPANY 2.

59. On or about February 8, 2015, ARDAKANI emailed LAM and informed him that ARDAKANI had paid 57,000 RMB and that "the [U.S. COMPANY 1] items are very urgent for the costumer."

60. On or about February 10, 2015, LAM emailed ARDAKANI, stating only "FYI." Attached to the email were three documents, an item list that included seven items, including an

order of ten pieces of part no. CGHV96100F2; a spreadsheet showing the billing and shipping information; and a packing list from SHIPPING COMPANY 1, showing a shipment of “integrated circuits” from CHINA COMPANY 1 to IRAN COMPANY 1 with a shipping date of February 10, 2015.

61. On or about February 10, 2015, LAM reexported or caused to be reexported, via SHIPPING COMPANY 1, ten pieces of part no. CGHV96100F2, from Hong Kong to IRAN COMPANY 1 in Iran. In connection with this shipment, LAM signed a SHIPPING COMPANY 1 “IRAN SANCTIONS NLR [No License is Required] CUSTOMER STATEMENT,” which falsely stated that the items LAM was shipping did not require a license to go to Iran and did not breach the EAR administered by the United States Department of Commerce or the U.S. sanctions administered by the United States Department of Treasury. The document also stated, “[P]lease be aware that [SHIPPING COMPANY 1] does not accept items of U.S. origin for carriage to Iran from any origin in the world.” In a commercial invoice provided to SHIPPING COMPANY 1, LAM falsely declared \$143.50 worth of integrated circuits to be shipped to Iran.

April 29, 2015 Export of Four Test Boards and Attempted Export Three MMIC Power Amplifiers to Iran

62. On or about March 18, 2015, ARDAKANI emailed LAM, asking for a quote for five pieces of a monolithic microwave integrated circuit (MMIC) power amplifier, part no. CMPA2560025F, and one piece of part no. CGHV35400F-TB, both U.S. COMPANY 1 products. According to the manufacturer, part no. CMPA2560025F has applications in ultra-broadband amplifiers, fiber drives, test instrumentation, and EMC amplifier drivers and part no. CGHV35400F-TB is a test board for an HEMT. Part no. CMPA2560025F was classified under ECCN 3A001.b.2.a.4 and controlled for Anti-Terrorism, National Security, and Regional Stability

reasons.

63. On or about March 19, 2015, LAM emailed ARDAKANI, providing a quote of \$725.40 per piece for part no. CMPA2560025F, and a quote of \$620 per piece for part no. CGHV35400F-TB. In this email, LAM wrote, “Now [U.S. COMPANY 2] still allows to sell, however, if they later refuse to ship to China prices, then would be as high as below.” LAM provided a second quote to ARDAKANI representing the cost per piece if U.S. COMPANY 2 were to refuse to ship to China: \$980 per piece for part no. CMPA2560025F and \$1,150 per piece for part no. CGHV35400F-TB.

64. On or about April 7, 2015, LAM provided an updated quote of three pieces of part no. CMPA2560025F at \$780 each and one piece of part no. CGHV35400F-TB at \$610 each.

65. On or about April 9, 2015, ARDAKANI confirmed with LAM an order for three pieces of part no. CMPA2560025F at \$780 each and one piece of part no. CGHV35400F-TB at \$610 each.

66. On or about April 9, 2015, LAM and other conspirators caused CHINA COMPANY 2 to place an order with U.S. COMPANY 2 for three pieces of part no. CMPA2560025F-TB and one piece of part no. CGHV35400F-TB. As noted above, ARDAKANI in fact ordered three pieces of part no. CMPA2560025F and one piece of part no. CGHV35400F-TB.

67. On or about April 10, 2015, LAM and other conspirators caused U.S. COMPANY 2 to ship three pieces of part no. CMPA2560025F-TB and one piece of part no. CGHV35400F-

TB to HONG KONG COMPANY 2.

68. On or about April 29, 2015, LAM reexported or caused to be reexported, via SHIPPING COMPANY 1, three pieces of part no. CMPA2560025F-TB and one piece of part no. CGHV35400F-TB from Hong Kong to IRAN COMPANY 1 in Iran. In connection with this shipment, LAM signed a SHIPPING COMPANY 1 “IRAN SANCTIONS NLR [No License is Required] CUSTOMER STATEMENT,” which falsely stated that the items LAM was shipping did not require a license to go to Iran and did not breach the EAR administered by the United States Department of Commerce or the U.S. sanctions administered by the United States Department of Treasury. The document also stated, “[P]lease be aware that [SHIPPING COMPANY 1] does not accept items of U.S. origin for carriage to Iran from any origin in the world.” In a commercial invoice provided to SHIPPING COMPANY 1, LAM falsely declared \$132.30 worth of integrated circuits to be shipped to Iran.

69. On or about April 30, 2015, LAM emailed ARDAKANI, saying that LAM had shipped three pieces of part no. CMPA2560025F and one piece of part no. CGHV35400F-TB via SHIPPING COMPANY 1 and providing a tracking number for the shipment.

70. On or about May 4, 2015, ARDAKANI sent LAM an email with the subject line “Wrong Item Received,” and wrote, “Today we received the package but for the following item ‘CMPA2560025F,’ we ordered the IC [integrated circuit] but you sent the evaluation board for it....What should I do now?”

71. On or about May 6, 2015, ARDAKANI emailed LAM and wrote, “CMPA2560025F-TB is evaluation board and doesn’t contain CMPA2560025F. This IC should

bought separately and test with this board. Now the customer has CMPA2560025F-TB. They need the IC.”

72. On or about May 6, 2015, ARDAKANI emailed LAM and wrote that U.S. COMPANY 2 and another named U.S. company had CMPA2560025F in stock.

73. On or about May 6, 2015, LAM responded to ARDAKANI, “We checked again ,[named U.S. company] can not ship it to China and [U.S. COMPANY 2] has none stock now.”

September 10, 2015 Export of Two Analog-to-Digital Converters to Iran

74. On or about June 30, 2015, ARDAKANI emailed LAM, asking for a quote for two pieces of part no. AD9467-FMC-250EBZ and two pieces of part no. AD9434-FMC-500EBZ, both U.S. COMPANY 3 products. According to the manufacturer, part no. AD9467-FMC-250EBZ is an analog-to-digital converter with applications in multicarrier, multimode cellular receivers, antenna array positioning, power amplifier linearization, broadband wireless, radar, infrared imaging, and communications instrumentation; and part no. AD9434-FMC-500EBZ is an analog-to-digital converter with applications in wireless and broadband communications, cable reverse path, communications test equipment, radar and satellite subsystems, and power amplifier linearization. Part no. AD9467-FMC-250EBZ was classified under ECCN 4A003.e and controlled for Anti-Terrorism and National Security reasons.

75. On or about June 30, 2015, LAM emailed ARDAKANI, providing a quote of \$495 per piece and saying, “However, we are not 100% sure that we can get it because it is controlled to ship to China; Above source are from [U.S. COMPANY 2], but we can try.”

76. On or about June 30, 2015, ARDAKANI emailed LAM, stating, "I checked the ECCN of these parts and it seems that they are controlled. But you have supplied these kinds of controlled items previously. So please check it again and give me new quotation for it."

77. On or about July 6, 2015, ARDAKANI emailed LAM, stating "Customer really want to buy the following boards. They accept that these items are controlled parts and the price is not like the usual [U.S. COMPANY 2] items."

78. On or about July 13, 2015, LAM emailed ARDAKANI, stating, "Sorry to advise that finally the order was refused by [U.S. COMPANY 2] as they later noticed both are controlled to ship to China. Now we have only one way of purchasing but with much higher prices, can you accept?"

79. On or about July 14, 2015, LAM emailed ARDAKANI, quoting a price of \$870 each for part nos. AD9467-FMC-250EBZ and AD9434- FMC-500EBZ.

80. On or about July 14, 2015, ARDAKANI confirmed this order.

81. On or about July 24, 2015, LAM and other conspirators caused FRANCE COMPANY 1 to place an order with U.S. COMPANY 2 for one piece of part no. AD9467-FMC-250EBZ and one piece of part no. AD9434- FMC-500EBZ, at a price of \$416.56 each or \$833.12 total.

82. On or about July 27, 2015, LAM and other conspirators caused a division of FRANCE COMPANY 1 to ship one piece of part no. AD9467-FMC-250EBZ and one piece of part no. AD9434- FMC-500EBZ to HONG KONG COMPANY 3.

83. On or about September 10, 2015, LAM reexported or caused to be reexported, via SHIPPING COMPANY 1, one piece of part no. AD9467-FMC-250EBZ and one piece of part no. AD9434-FMC- 500EBZ from Hong Kong to IRAN COMPANY 1 in Iran. In connection with this shipment, LAM signed a SHIPPING COMPANY 1 “IRAN SANCTIONS NLR [No License is Required] CUSTOMER STATEMENT,” which falsely stated that the items LAM was shipping did not require a license to go to Iran and did not breach the EAR administered by the United States Department of Commerce or the U.S. sanctions administered by the United States Department of Treasury. The document also stated, “[P]lease be aware that [SHIPPING COMPANY 1] does not accept items of U.S. origin for carriage to Iran from any origin in the world.” In a commercial invoice provided to SHIPPING COMPANY 1, LAM falsely declared \$107.90 worth of integrated circuits to be shipped to Iran.

84. On or about September 10, 2015, LAM emailed ARDAKANI, saying that part nos. AD9467-FMC-250EBZ and AD9434-FMC- 500EBZ had been shipped from Hong Kong to Iran via SHIPPING COMPANY 1 and providing a tracking number and a copy of the invoice.

Failure to Obtain Required Licenses

85. The defendants and their coconspirators failed to apply for, receive, and possess, and caused others to fail to apply for, receive, and possess one or more license(s) from OFAC, located in the District of Columbia, to export any of the goods set forth above from the United States to Iran.

(Conspiracy to Export U.S. Goods to Iran and to Defraud the United States and the U.S. Department of the Treasury in violation of Title 18, United States Code, Section 371)

COUNT TWO

(Unlawful Exports or Attempted Unlawful Export of Goods to Iran)

86. The allegations in Paragraphs 1 through 21 and 74 through 85 are incorporated and realleged by reference in this Count.

87. On or about September 10, 2015, in the District of Columbia and elsewhere Defendant HOSSEIN HATEFI ARDAKANI, also known as “HASAN HASHEM,” also known as “STEVE PALMER,” and Defendant FNU LNU, also known as “GARY LAM,” did willfully export and reexport, or cause to be exported and reexported, one piece of part no. AD9467-FMC-250EBZ and one piece of part no. AD9434- FMC-500EBZ from the United States to Iran without first having obtained the required authorizations from OFAC.

(Unlawfully Exporting and Attempting to Unlawfully Export Goods to Iran, in violation of Title 50, United States Code, Section 1705; Title 31, Code of Federal Regulations, Sections 560.203 and 560.205)

COUNT THREE

(Conspiring to Engage in International Money Laundering)

88. The allegations in Paragraphs 1 through 85 of this Indictment are incorporated and realleged by reference herein.

89. Beginning at least in or around September 2014, and continuing through at least in or around September 2015, within the District of Columbia and elsewhere, Defendant HOSSEIN HATEFI ARDAKANI, also known as “HASAN HASHEM,” also known as “STEVE PALMER,” and Defendant FNU LNU, also known as “GARY LAM,” together and with other persons both known and unknown to the Grand Jury, did knowingly combine, conspire, confederate and agree together and with other persons both known and unknown to the Grand Jury, to violate Title 18, United States Code, Section 1956(a)(2)(A).

OBJECT OF THE CONSPIRACY

90. It was the object of the conspiracy for the defendants together and with other persons both known and unknown to the Grand Jury, to violate Title 18, United States Code, Section 1956(a)(2)(A), that is, by transporting, transmitting, or transferring, or attempting to transport, transmit, or transfer a monetary instrument or funds to a place in the United States from and through a place outside the United States, that is Canada, France, Hong Kong, China, and Iran, with the intent to promote the carrying on of specified unlawful activity, to wit, an offense relating to IEEPA.

(Conspiring to Engage in International Money Laundering, in violation of Title 18, United States Code, Sections 1956(a)(2)(A), (c)(7)(B)(v)(II), and (h))

FORFEITURE ALLEGATION

1. Upon conviction of any of the violations alleged in Count One, Count Two, and Count Three of this Indictment, the defendants shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to these violations, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c). The United States will also seek a forfeiture money judgment against the defendants in an amount of at least **\$102,913**, which represents a sum of money equal to the value of any property, real or personal, which constitutes or is derived from proceeds traceable to these violations.

2. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants,

- a. cannot be located upon the exercise of due diligence,
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property that cannot be subdivided without difficulty;

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1); and Title 28, United States Code, Section 2461(c).

(Criminal Forfeiture, pursuant to Title 18, United States Code, Sections 982(a)(1) & (b)(1), Title 21, United States Code, Section 853(p); and Title 28, United States Code, Section 2461(c))

A TRUE BILL

FOREPERSON

MICHAEL R. SHERWIN
Attorney of the United States in
and for the District of Columbia

